THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN): (a) and (b) Reserve Bank of India has issued guidelines to banks for identification of sickness in SSIs at the incipient stage and measures to be initiated to remedy/arrest further deterioration in the health of SSI units. While advising the banks on parameters/warning signals of incipient sickness in Small Scale Industries, RBI has also instructed them to conduct viability studies within a period of three months from identification of the sickness. BIFR does not deal with rehabilitation of sick SSI units.

(c) Guidelines by RBI are adequate to deal with the problem of sickness at the incipient stage.

Slowdown in Industrial activity

552. SHRI NARENDRA MOHAN: Will the Minister of INDUSTRY be pleased to state:

(a) whether there has been a marked slowdown in industrial activity in the country;

(b) if so, reasons therefore and the percentage-wise slowdown in major industries as compared to last year; and

(c) the corrective steps proposed to be taken so that growth rate of over 8% is achieved?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN): (a) and (b) Sectoral growth according to the broad industrial classification is given in the enclosed statement (See below). The deceleration in industrial growth is perceived to be a cumulative effect of many macro factors which include subdued export growth, slowdown in investment and consumer demand, poor performance of infrastructure industries had high cost of capital during most part of 1996-97.

(c) In the Union Budget 1997-98 and the Credit Policy announced thereafter in April-October, 1997, strong initiatives have been provided to improve investors' confidence, industry profitability and credit flow. In a Meeting convened by the Prime Minister with Infrastructure sectors on 22nd July, 1997 and with other Manufacturing Industry on 14th October, 1997, issues relating to temporary slow down in some of the sectors were discussed and steps such as restoration of duty draw-back to encourage exports have already been taken. Further, with the sharp increase in availability of lendable resources with banks with phased reduction of Cash Reserve Ratio (CRR), substantial lowering of interest rates and release of arrears of pay to Central Government Employees on implementation of the Recommendations of Fifth Pay Commission, the overall demand for industrial products is expected to go up.

Statement

Growth Rates of Index of Industrial Production

(Base: 1980-81=100)

Sl. No.	Industry Group	Weight	%Growth Rate APR-AUG	
			1996-97	1997-98
1.	Food Products	5.3270	21.7	−16.0
2.	Beverage, tobacco & Products	1.5710	14.8	9.3
3.	Cotton Textiles	12.3090	9.7	9.0
4.	Jute, hemp & mesta textiles	1.9990	−3.2	12.2
5.	Textile Products	0.8170	5.7	−1.0

Sl. No.	Industry Group	Weight	%Growth Rate APR-AUG 1996-97	1997-98
6.	Wood & wood pdts. & furnt & fixt.	0.4480	4.3	−6.5
7.	Paper & Paper Products	3.2350	9.0	2.9
8.	Leather & fur Products	0.4890	7.3	−6.2
9.	Rubber, Plastic, Petroleum & Coal	4.0000	7.2	1.6
10.	Chem. & chem. Products	12.5130	3.8	8.5
11.	Non-metallic mineral	2.9990	5.3	12.6
12.	Basic metals & alloy industries	9.800	38.0	−0.6
13.	Metal Products & Parts	2.2880	7.4	1.2
14.	Machinery, Machine tools & parts	6.2400	7.7	2.1
15.	Electrical machinery	5.7790	20.6	6.0
16.	Transport Equipment & parts	6.3860	25.2	2.6
17.	Other Manufacturing Industries	0.9050	−6.6	11.9
18.	Mining & Quarrying	11.4640	1.0	6.1
19.	Manufacturing	77.1070	14.4	4.2
20.	Electricity	11.4290	2.6	6.7
	Overall Index	100.0000	11.2	4.7

Approval Granted to Pepsis Co. Inc.

553. SHRI NAGENDRA NATH OJHA: Will the Minister of INDUSTRY be pleased to state:

(a) whether the Ministry had put up a note for consideration of the FIPB in the first quarter of 1997 relating to certain conditions imposed in the approval granted to Pepsi Co. Inc.;

(b) if the answer to query (a) is positive, the details of the stand taken by the Ministry on the issue;

(c) whether the FIPB has taken a final decision on the issue; and

(d) if not, the reasons thereof and the status of the matter?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN): (a) to (d) Yes Sir, a Note for consideration of FIPB was submitted. The matter has since been resolved.

Accident-prone Industrial Units

554. SHRI O.P. KOHLI: Will the Minister of INDUSTRY be pleased to state:

(a) whether Government's attention has been drawn to the news appearing in the Asian Age, dated 27th September, 1997, under the caption "1254 accident-prone industrial units identified";

(b) if so, whether these include 20 "major accident hazard" industries located in Delhi; and

(c) the steps taken by Government in respect of such hazardous industries?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN): (a) to (b) Yes, Sir. As per information made available by the State Chief Inspectorate of Factories, there are 1254 Major Accident Hazard units in the country identified as per the Manufacture, Storage and Import of Hazardous Chemicals Rules, 1989 notified under the Environment (Protection) Act, 1986. There are 20 Major Accident Hazard units located in Delhi.